

**ARIZONA STATE PARKS BOARD
PEORIA COUNCIL CHAMBERS
8401 W. MONROE ST., PEORIA, AZ.
SEPTEMBER 19, 2008
MINUTES**

Board Members Present:

William Scalzo, Chairman
Reese Woodling, Vice Chairman
William Cordasco
Arlan Colton
Tracey Westerhausen (arrived at 10:24 a.m.)
Larry Landry
Mark Winkleman

Staff Members Present:

Jay Ziemann, Assistant Director, Partnerships and External Affairs
Jay Ream, Assistant Director, Parks
Mark Siegwarth, Assistant Director, Administrative Services
Cristie Statler, Assistant Director, Outreach
Debi Busser, Executive Secretary
Doris Pulsifer, Chief of Grants
Pat Dutrack, Grants Coordinator
Robert Baldwin, Grants Coordinator
Vivia Strang, Grants Coordinator,
Ruth Shulman, Administrative Assistant III, Grants
Janet Hawks, Chief, Operations

Attorney General's Office:

Joy Hernbrode, Assistant Attorney General
Laurie Hachtel, Assistant Attorney General

A. CALL TO ORDER - ROLL CALL – 10:00 A.M.

Chairman Scalzo called the meeting to order at 10:10 a.m.

B. INTRODUCTIONS OF BOARD MEMBERS AND AGENCY STAFF

Roll Call indicated that a quorum was present. Mr. Cordasco read the Board Statement.

1. **Board Statement** - "As Board members we are gathered to be the stewards and the voice of Arizona State Parks' Mission Statement: Managing and Conserving Arizona's Natural, Cultural, and Recreational Resources, Both In Our Parks and Through Our Partners for the Benefit of the People."

C. CONSENT AGENDA

1. **Approve Minutes of August 22, 2008 State Parks Board Meeting**
2. **Approve Minutes of Executive Session of August 22, 2008 State Parks Board Meeting**

3. **Approve Minutes of July 17 Planning Session and Workshop**
4. **Approve Minutes of July 18, 2007 State Parks Board Meeting**
5. **Authorization to Acquire Perez Property Behind Tombstone Court House Historic State Park**

After being assured by the Executive Secretary that the corrections he requested were made to the July Minutes, Mr. Landry made a motion to approve the Consent Agenda. Mr. Cordasco seconded the motion and it carried unanimously.

D. BOARD ACTION ITEMS

Mr. Ziemann introduced Ms. Doris Pulsifer, Chief of Grants, to address the Board regarding the Competitive Grant programs.

1. **Summary of Staff Funding Recommendations for Competitive Grant Programs**

Ms. Pulsifer reported that the Grants Staff is present at this meeting. She acknowledged them and thanked them for their work throughout the year. This group of people is committed and dedicated to the Board's Mission. She referred the Board to Page 1 of the Board Packet. She noted that all of the projects being recommended are for good projects. By statute they are reviewed by staff using criteria approved by the Board.

- a. **Consider Staff Recommendations for Funding FY 2008 Local, Regional and State Parks Heritage Fund (LRSP) and FFY 2008 Land and Water Conservation Fund (LWCF) Grant Projects.** Staff recommends awarding \$2,961,405 to the 8 highest-rated FY 2008 LRSP/FFY 2008 LWCF grant applications.

Ms. Pulsifer reported that the amount of revenue available for this program is \$3,109,068. Staff recommend that the first 8 projects be funded. They fall within the Strategic Plan line and there is sufficient money under LRSP to fund them. Once that money runs out, they become funded by the LWCF, leaving a balance of \$147,663.

Ms. Pulsifer reported that AORCC concurred with staff's recommendation. At their meeting, Tucson made a request that the remaining \$147,663 be awarded to them for the Juhan Park Project.

Mr. Landry noted that there are two projects (Oro Valley and Tucson's Silverlake Soccer Field Lighting) that scored under 80%. Given the fact we are in dire straights, he asked what the rationale was for funding those two projects. He is concerned that we are going below the threshold given the state's financial condition.

Mr. Ziemann responded that it is the Board's discretion as to where they draw the line on funding grants. Staff's recommendation is in keeping with the Board's Strategic Plan.

Mr. Colton asked how much the \$147,663 would fund the Juhan Park project.

Ms. Pulsifer responded that it would be a little bit of money toward that project.

Board Action

Mr. Colton: I move that the top eight projects be approved for LRSP/LWCF funding in the amount of \$2,961,405 and that the Executive Director or his designee be authorized to execute the Participant Agreements.

Mr. Landry stated that he is not in opposition, but would not be supportive of this motion. He would like more time to study it.

Chairman Scalzo asked if the Board can review this at a later date.

Mr. Ziemann responded that staff will go to the line and no lower. The board does not like to see money remaining in the pots for obvious reasons.

Mr. Woodling stated that he received the Agenda and grant proposals several weeks ago. AORCC recommended that the Board fund whatever it could.

The Motion on the Floor died for lack of a Second.

Board Action

Mr. Colton: I move that the eight highest-rated FY/FFY 2008 grant projects be approved for funding in the manner described by staff at \$2,961,405 and that the remaining \$147,663 be awarded to the Juhan Park project in Tucson contingent on a balanced budget including a 50% match. I also recommend that the Executive Director or his designee be authorized to execute the Participant Agreements.

Mr. Woodling seconded the motion.

Mr. Landry stated that he would defer to the Southern Arizona representatives on the Board.

Chairman Scalzo called for a vote on the motion on the floor and the motion carried unanimously.

Ms. Pulsifer referred the Board to page 41 of the Board Packet.

- b. Consider Staff Recommendations for Funding FY 2008 1st Cycle Historic Preservation Heritage Fund Grant Projects and set-aside funding.** Staff recommends awarding \$542,293 to the six highest-rated grant applications, and also recommends set-aside funding to Arizona State Parks Development for \$150,000 and to the State Historic Preservation Office for \$100,000.

Ms. Pulsifer reported that the available revenue for funding this grant cycle is \$548,612. Ten of the 14 applications received were qualified for funding at a total of \$971,073. Although the Strategic Plan would allow for 9, there is only money available for funding 6 projects. She stated that representatives were present from HPAC who wished to address the Board.

Chairman Scalzo stated that, because of the number of people wishing to address the Board on various issues on this Agenda, speaking time would be limited to 3 minutes per speaker unless the Board felt it necessary to award more time.

Mr. Winston Thorne, HPAC, stated he would defer to Mr. Linoff to speak on this issue.

Mr. Vic Linoff, representing HPAC, addressed the Board. He reviewed HPAC's history with going to a two-cycle grant cycle and how well it has worked with getting more

funding to historic projects since its inception. He then discussed how the Picket Post House was presented by Mr. Ream, brought to the Board, and how the Board's decision to award money from HPAC has caused them problems in funding what they believe they should be funding. He requested that the Board return the \$700,000 funding for Picket Post House to them so they could fund the projects they felt they should be funding.

Mr. Ream responded that he did talk with HPAC about funding for the Picket Post House. HPAC did not recommend the \$700,000 funding from their revenues. He felt that at this time, he could proceed without the \$150,000 set-aside funding from HPAC.

Chairman Scalzo asked if he heard correctly that it would be acceptable at this time to forego the \$150,000 set-aside funding from HPAC for FY 2009.

Mr. Ream responded affirmatively.

Ms. Paula Molaff, City of Glendale, addressed the Board. She stated that the City of Glendale has received a lot of money over the years from the Board for their historic preservation. This program has been good to the downtown area. She thanked the Board and encouraged them to maintain this program.

Ms. Carole DeCosmo, representing the First Methodist Church, stated they wished to thank the Heritage Fund for their award.

Mr. John Driggs, AZ Centennial Committee, State Capitol Project addressed the Board. He explained the purpose of the Centennial Committee and discussed the "new" Capitol.

Mr. Thomas H. Wilson, representing the Arizona Museum of Natural History, stated he was present to address any questions the Board may have regarding their Mesa Grande Ruins Interpretive Project.

Mr. Landry questioned the score on the Phx Indian School Dining Hall Rehab. Under Community Projects, we have 22 Reservations. There is a huge community benefit for this project.

Ms. Pulsifer responded that when the rating team reviews these applications, they can only go by what is submitted. If the responses are not clear, incomplete, or outdated, it can drive the score down. When the rating team meets to rate these applications, they are discussing the criteria and what they will be looking at. When they come back, the rating and scoring has been done and consistently. These applications are not compared to others or by priority. It is solely done based on what that applicant submits.

Mr. Landry requested a copy of that rating.

Ms. Pulsifer added that once these grants are scored and the final ratings are complete, staff offer to go over these applications with the applicants.

Board Action

Mr. Landry: I move that the Board approve \$542,293 for the six (6) highest scoring grant applications as recommended today and approval of the \$100,000 set-aside for the State Historic Preservation Office (SHPO). The Board does not recommend approval of

the \$150,000 set-aside for State Parks' Development Section, instead retaining those funds for 2008 2nd cycle Historic Preservation Grant Program and that the Executive Director or his designee be authorized to execute the Participant Agreements.

Mr. Colton seconded the motion and it carried unanimously.

- c. Consider Staff Recommendations for Funding FY 2008 Trails Heritage Fund Grant Projects.** Staff recommends awarding \$734,228 to the seven highest-rated FY 2008 Trails Heritage Fund grant applications.

Ms. Pulsifer reported that the available revenue for funding this grant cycle is \$739,501. There were 8 eligible applications received for funding at a total of \$832,578.

Board Action

Mr. Landry: I move that the seven (7) eligible projects with the highest rating scores be approved for funding at \$734,228 and that the Executive Director or his designee be authorized to execute the Participant Agreements.

Mr. Cordasco seconded the Motion and it carried unanimously.

- d. Consider Funding the FY 20078 Recreational Trails Program (Motorized Portion) Grant Projects.** Staff recommends awarding \$1,332,297 to the six projects pending completion of Section 106 requirements and obtaining National Environmental Policy Act concurrence from the Federal Highway Administration.

Ms. Pulsifer referred the Board to page 84 of the Board Packet.

Mr. Colton recused himself from voting on the Pima County request for project 47805 – Pima Motorsports Park OHV Development due to a Conflict of Interest.

Chairman Scalzo pulled Project 47805 in order for Mr. Colton to be able to participate in discussion of the remainder projects.

Ms. Pulsifer reported six (6) eligible applications were received for the Recreational Trails Program (Motorized Portion) grant requesting \$1,359,188. Total available revenue for this grant program is \$1,332,297.

Chairman Scalzo noted that there were a number of people in the audience who wished to address this issue.

Mr. Jess Hamilton, representing Pima Motorsports Park, addressed the Board. He discussed the history of the Motorsports Parks and strongly recommended that the Board pay attention to these types of projects.

Ms. Evelyn Thorpe, representing Pima County – Economic Development and Tourism addressed the Board. She thanked the Board for considering the motor park. She stated that these people did an outstanding job in getting motorized OHVs out of the desert and into the park.

Ms. Westerhausen asked if there has been an increase in the use of the park over the past few years.

Ms. Thorpe deferred to the next speaker to answer this question.

Board Action

Mr. Landry: I move that the Recreational Trails Program (Motorized Portion) funding be approved for the five (5) applications in staff's recommendation with the exception of project 47805 pending completion of the Section 106 requirements and obtaining National Environment Policy Act (NEPA) concurrence from the Federal Highway Administration, and that the Executive Director or his designee be authorized to execute the Participant Agreements.

Mr. Colton seconded the motion and it carried unanimously.

Mr. Colton recused himself from the remaining discussion at 11:15 a.m.

Mr. Landry noted that the state legislature approved a bill that recognized motorized vehicle usage has increased. A total of 40 organizations banded together on this legislation. He requested that policy on this be placed on a future agenda.

Mr. Landry stated that because of this legislation and the lack of a Board policy on this issue, he cannot support this park. He doesn't believe this project is consistent with what the Board should be doing with its funding. We have a crisis here in Arizona. He has ridden Off Highway Vehicles (OHVs). He's seen what has happened in that park and it's tragic. At best this funding is premature until the Board looks at its policy with the Advisory Group.

Board Action

Mr. Landry: I move that the Board not approve funding for Project 47805, Pima Motorsports Park OHV Development.

Mr. Winkleman seconded the motion for discussion.

Chairman Scalzo invited Mr. Kerry Baldwin, Pima County, to address the Board.

Mr. Baldwin, Pima County, addressed the Board. He noted that this was not the issue he originally intended to speak on but felt it was important to do so. He noted that this park will provide education and information on OHV usage on our trails and in our parks. He believes it gives the public an alternative to tearing up public lands by giving them an appreciation of keeping our public lands pristine and only riding on trails. He believes that funding this project is important and urged the Board to do so.

Mr. Landry thanked Mr. Baldwin. He stated that he is not questioning the merit of the program. If Pima County and the users want to reopen and use this facility, that is fine.

Ms. Westerhausen asked if the Board does not approve this funding, what Pima County's "Plan B" would look like.

Mr. Hamilton responded that if they don't get the funding, he would seek public support. It will be up to the County as to whether they survive or not.

Mr. Landry asked how much the County is putting into it.

Mr. Hamilton responded that the County is putting zero into it.

Mr. Woodling requested that Ms. Pulsifer return to the podium to answer some further questions.

Mr. Woodling noted that in looking at the rating sheet on page 91, this project received a top rating.

Ms. Pulsifer responded that she was not directly involved in the rating process. She deferred to Mr. Bob Baldwin, Grant Coordinator for this grant program.

Mr. Bob Baldwin explained that the points are distributed in two main areas for both motorized and non-motorized trail grant applications: identifying the need for the project and meeting the priorities for trail projects identified in 2005 State Trails Plan. Developing new opportunities is one of the top priorities for motorized projects and since the majority of costs for this project fall in that area, the application received the total points available in that category (55).

Mr. Landry asked if there is any statistical information that it might be just the opposite. He asked what the primary source of data is that the rating team used. He asked if there is any information to indicate that if they go on managed land they will not go onto non-managed land? He stated that he wants the basis of the data.

Mr. Ziemann noted that there are definite problems with wildcat riding. The land managers are trying to come up with more opportunities for people to ride their ATVs on a managed area.

Mr. Landry responded that he understands that. He also understands that there is no data that indicates it actually works.

Ms. Westerhausen stated that it seems that the OHV community has come together in a positive way. If we don't provide new avenues for them, we are not giving them credit for coming together and trying to improve things.

Mr. Winkleman asked if this money is not used on this project if it would be available for grants next year.

Mr. Ziemann responded affirmatively.

Mr. Woodling commented that this issue came to the Board by staff. Guidelines were set up. Provisions were made to set up a park such as this. It received a high rating. He would like to see this park funded.

Mr. Cordasco stated that staff have guidelines. There is some precedent that says these projects have been reviewed by the appropriate people given this program and that they have been recommended to us based on that. If we have a problem with that process or how it was presented to us, he is not sure that today is the day to debate that process. The Board should absolutely understand that this is an issue we all feel very strongly about. There are many things taking place as was suggested earlier at the state level and federal levels regarding OHV and state land usage, as well as private land usage. He is fully aware of this situation. Perhaps today is not the date to address it. The Board has been given, as Mr. Woodling has outlined, a very strong proposal given the criteria that staff were to follow. He wanted to make sure that he did get this into the record.

Mr. Landry responded that he would like to make a substitute motion. For the rest of the Board members, he sent a memorandum requesting that the policy be put on this Agenda so that we could have a bigger discussion and received feedback that it would

be on the October Agenda if the Board meets then. It would, however, occur before the beginning of the year. He would make a substitution motion that the Board just continue this one item to the next Board meeting and those who have further questions would have the opportunity to get answers. If a substitute motion gets a second, it takes precedence over the other motion. If the substitute motion passes, it makes the previous motion moot.

Board Action

Mr. Landry: I move that the Board continue this specific item to the next Board meeting.

The motion died for a lack of a Second.

Mr. Landry stated that the Board would be here all day on this issue.

Mr. Woodling commented on Mr. Landry's motion to continue this at another time. This proposal came to the Board by staff. The Board has set up guidelines. There is precedent for a park like this to be funded, as was stated earlier. This money is federal funding; it fits within the guidelines. It was a grant proposal that was approved by the Board's staff and presented with a high rating. He would like to see this park be funded today and not wait.

Mr. Landry responded that as volunteers the Board has to depend heavily on staff. He thanked staff because he had numerous questions on these grant applications and they came over and did a very thorough job of getting more information, showing him the criteria people have to apply under. He is not saying this is a bad project. He is questioning whether it's a priority given everything else that's going on. If the Board's pleasure is that they want to vote on it today, he will be advocating for lesser amounts and will, subsequently, be moving lesser amounts even if they are put down as substitute amendments or amendments on amendments. He would really like a 30-day continuance – a general continuance to the next Board meeting. If the Board does not want to do that, so be it. He is prepared to spend all day and all night on this item if we have to.

Chairman Scalzo stated that this issue seems to revolve around something Board member Cordasco brought up, and that is whether we need to address the procedure on how we select grants, and he believes that's part of the essence here. We have a couple of issues here. We have the federal funds we are using now. Soon we will have a new influx of state dollars from users. We don't have that yet. The Board has discussed a joint meeting perhaps with Game and Fish in the future to discuss that and come up with some recommendations so we work together on this. He thinks that's where everyone wants to go. The concern is that we have this project before the Board now; we need to move it one way or the other. He would like to move on this Agenda Item. There is a great deal to discuss. The Board will also deal later in the meeting with items of inviting Advisory Groups to a meeting perhaps in November when all of this could be discussed and digested and policy issues and directions worked out. In the interim we can table this for now and move it to the end of the day to get some other things done which may be a good idea. The people from Pima County will have to stay longer. If they are interested in the grant, that may be the only way we can do it. He would like to keep this Agenda moving.

Mr. Landry stated that while he feels strongly about this issue, it is clear there is not majority support of his opinions. He would like to comment on the tyranny of precedent. The Board set a policy at one time based on a certain set of facts and assumptions. He would contend that the activity that occurred in the state legislature, that the public secret among most people of what abuse was occurring on our natural lands and Native American reservations, and state lands suddenly became open and, fortunately it was enough of a crisis that in a partisan election year it was possible to get bi-partisan support and get more than 40 groups to come together to say this is the most important thing we should do and that the user community itself supported the fee.

Mr. Landry stated that he understands that the Board has procedures and precedent. However, he says that there are times when one has new facts and information and precedence should not be a millstone around the Board's neck. He thinks that this is such a perfect storm but he will defer to the majority of the Board. He won't delay this action. He would love to make substitute and amendments to the motion. Since he's been trained in Robert's Rules, he could go all night. He will not do that and will withdraw his original motion.

Mr. Woodling noted that he has been on this Board 3.5 years and this is the first time that a Board member in a meeting has made, he won't use the word "threats", but indicated he would stay here all day and night to make sure he got his way. This Board has, in his 3.5 years, never had anyone say that. He takes objection to that one comment and he wants that on the record.

Mr. Landry responded that he didn't mean it that way. He meant to stress that this is a very important issue. He's seen it; he's gone on tours. He did not mean it. He was trying to stress the importance of this issue. It is an important issue. He's heard from many people about this issue since his appointment. He will apologize to the Board member if his words were not clear enough. Mr. Landry stated he wanted this comment on the record.

Chairman Scalzo noted that he thinks everyone in the state understands the severity of the problem. He knows that the Forest Service has made it very clear that it's one of the primary causes of fires in the forests. He knows state lands have been often times abused. Much of the state lands adjoin County, Regional, and State Parks. We all pay a serious price for abuse. He feels the legislature moved in the right direction to have this license and get people involved in the resolution of the problem. He believes that education is the primary factor that needs to be done. It's a very difficult one. Until we are able to do that, we will continue to have problems. Every special district, every water group – everyone – suffers from the abuse. He believes that the concerned users like some of the people from Pima who are here today want to try to fix it. They want a partner. Those other grants that were approved demonstrate that we want to. When we come together with Game and Fish we can map a direction to try to do more with the resources we have into the future. He is looking forward to seeing the effect it will have on us. He knows that the ranchers of the state are probably as frustrated as anyone. BLM has told him numerous times that we don't have law enforcement to stop it so we have to educate people and we have to provide every bit of any kind of effective options possible. With that, he asked if there is any recommendation or action on this issue.

Board Action

Mr. Woodling: I move that the Recreational Trails Program funding for Project 47805 in the amount of \$279,900 recommended by staff be approved by this Board pending completion of the Section 106 requirements and obtaining National Environment Policy Act (NEPA) concurrence from the Federal Highway Administration, and that the Executive Director or his designee be authorized to execute the Participant Agreement.

Ms. Westerhausen seconded the motion.

Mr. Winkleman stated that he did not wish to prolong the debate on this and he certainly agrees with all that's been acknowledged. It's a terrible problem and certainly State Trust Land gets abused as much as anyone out there. He does not want to minimize that. He is concerned as to whether this is the right way to spend the money. He thinks the scoring system is such that when something says it's a new opportunity – this is clearly a new opportunity – it receives a lot of points. He doubts whether that really gets to the crux of the issue,. While he absolutely 100% supports addressing the problem, he is not convinced that this is the appropriate way to proceed.

A Roll Call Vote was requested.

Mr. Woodling – Aye

Mr. Cordasco – Aye

Mr. Colton – Abstained

Ms. Westerhausen – Aye

Mr. Landry – Nay

Mr. Winkleman – Nay

Mr. Scalzo – Aye

Ms. Busser reported the vote is 4 Aye; 2 Nay; 1 Abstention.

Chairman Scalzo stated the motion carries.

Mr. Landry explained his Nay vote. Through honest disagreement, hopefully we make good public policy. For reasons stated on priority he is voting not against the program but against the priority for funding.

Chairman Scalzo called for a Recess at 11:55 a.m.

Chairman Scalzo reconvened the meeting at 12:05 p.m. Mr. Colton returned to the meeting at this time. Mr. Landry was absent at this time.

- e. Consider Funding the FY 2008 Growing Smarter State Trust Land Acquisition Projects.** Staff recommends awarding \$32,193,855 to the City of Phoenix for the purchase of 715.419 (+/-) acres of the Phoenix Sonoran Preserve, Priority 2B, and \$3,500,000 to Pima County for the purchase of 320 acres of Tumamoc Hill.

Ms. Pulsifer referred the Board to page 98 of the Board Packet. The total available revenue for the Growing Smarter State Trust Land Application Fund Grant Program is \$75,276,605. There was a total of 2 applications requesting \$35,693,855. The

Conservation Acquisition Board (CAB) reviewed both applications and concurred with staff's recommendation to approve both applications.

Chairman Scalzo stated he had two individuals who wished to speak on this issue – presumably in favor of it. He invited Ms. Linda Mayro to the podium to address the Board.

Mr. Colton stated that, with apologies, he again has a conflict-of-interest on this issue. He has spent a lot of time on the Tumamoc Hill project and he works for Pima County. He requested separating these two properties.

Mr. Colton then left the meeting room.

Ms. Linda Mayro, Pima County Cultural Resources Manager, addressed the Board. She stated that she is present to speak in favor of the Tumamoc Hill grant allocation. Tumamoc Hill is their centerplace in Tucson; it's a prominence that is adjacent to Sentinel Peak. It is their man-in-the-maze; it's their center. It has been a place of occupation for thousands of years; it's considered an ancestral place for the Tohono O'dam ; it contains evidence of prehistoric occupation; historic use; historic burial grounds of the O'dam and possibly the Apache. Its depth of history and its prominence in Tucson is metered in iconic property. In 1903 it became the Carnegie Desert Laboratory for botanical research and is one of the largest living environmental research places in the United States. It became a national historic landmark in 1965. It was listed in the National Register of Historic Places in 1966. It's a national environmental study area designated in 1976, and it's a state scientific and educational area that was designated in 1981. It was also identified as one of the most endangered historic places in 2006 by the Arizona Preservation Foundation.

Ms. Mayro stated she was present at this meeting to seek the Board's support for their grant request so they can take it off that last 2006 Most Endangered listing.

Chairman Scalzo invited Mr. Terry Baldwin, Pima County, to speak to the Board.

Mr. Baldwin stated that, in deference to the Board's time and in acknowledgement of the Board's insightful deliberations, he requested to pull his "green card" to speak at this time.

Chairman Scalzo thanked Mr. Baldwin.

Chairman Scalzo noted that the Board would need to separate these two applications for vote – one is funding for the Phoenix grant and the other is the one that a Board member wished to abstain from voting on – the Pima County grant request.

Board Action

Mr. Winkleman: I am happy to move \$32,193,855 be awarded to the City of Phoenix for the purchase of approximately 715 acres of the Phoenix Sonoran Preserve Priority 2B. The final grant amount will be based upon the excellent other state agency's – the Arizona State Land Department – final appraisal value of the parcel agreed upon by the applicant plus no more than 10% of eligible associated costs. Approval of the award is contingent upon the appraised land value being finalized before December 21, 2008 and that the Executive Director or his designee be authorized to execute the Participant Agreement.

Mr. Colton seconded the Motion.

Ms. Hernbrode stated that she believed that the Board needed to make this award contingent in addition upon them being the highest and best bidder at auction.

Mr. Winkleman agreed and added, "and contingent upon them being the highest and best bid at auction". Mr. Colton, as the Second to the Motion agreed to the addition.

The restated motion is as follows:

Board Action

Mr. Winkleman: I am happy to move \$32,193,855 be awarded to the City of Phoenix for the purchase of approximately 715 acres of the Phoenix Sonoran Preserve Priority 2B. The final grant amount will be based upon the excellent other state agency's – the Arizona State Land Department – final appraisal value of the parcel agreed upon by the applicant plus no more than 10% of eligible associated costs. Approval of the award is contingent upon the appraised land value being finalized before December 21, 2008 and contingent upon them being the highest and best bidder at auction and that the Executive Director or his designee be authorized to execute the Participant Agreement.

Mr. Winkleman stated he would like to thank the applicants' efforts in coming forward in a program that has struggled. We tried to do this about four years ago and he wanted to publicly applaud their efforts to move this project forward at this point in time.

Chairman Scalzo called for a vote on the motion on the floor.

The motion carried unanimously with those Board members present.

Chairman Scalzo stated that the Board would now address the Pima County project.

Board Action

Mr. Winkleman: I move awarding \$3,500,000 to Pima County for the purchase of 320 acres of Tumamoc Hill. The final grant amount will be based on the Arizona State Land Department's final appraisal value of the parcel agreed upon by the applicant plus no more than 10% of eligible associated costs. Approval of the award is contingent upon the appraised land value being finalized before December 21, 2008 and contingent upon them being the highest and best bidder at auction and that the Executive Director or his designee be authorized to execute the Participant Agreement.

Mr. Woodling seconded the motion.

Mr. Landry returned to the meeting at this point in time at 12:13 p.m.

The motion carried unanimously with Mr. Colton Abstaining due to a conflict-of-interest.

- f. Consider Request from La Paz County Sheriff's Office to Carry Over Balance from 2007 LEBSF Money to FY 2008 Funding Cycle.** Staff recommends that the request be denied.

Chairman Scalzo referred the Board to page 103 of the Board Packet. He noted that Lt. Alan Nelson, La Paz County Sheriff's Department has requested to speak on this issue. He invited Lt. Nelson to address the Board.

Lt. Nelson thanked the Board for hearing their request today. He is the Marine Commander for La Paz County Sheriff's Office. As background on this request, the current LEBSF funding is set up on percentages based on data requested and submitted in October of 2006. Between the period of time they submitted it and the time that the Board approved it, La Paz County deputies received a substantial pay raise. Prior to that point they were the lowest-paid agency in the state. What that did was drop their percentages compared to the other counties. La Paz County's allocation went from 19.23% of total LEBSF money to 16.2%. This resulted for La Paz County in a drop of approximately 18%. It generally came out to La Paz County receiving approximately 82% of the funding they have received in past years. Comparing it with the other counties, they are between 92% and 118% of their prior year funding. There is nothing they can do at this point about making any corrections on that.

Lt. Nelson added that another situation that came about last year was with the Board's decision to carry over the prior year's amount of LEBSF funding due to opening up the authorized purchases and unauthorized use of LEBSF to other items. That was decided late in the year so a portion of the prior year (FY 2006) LEBSF money was given until December of calendar year 2007 to pay for and to allocate. A lot of things that they would have used in the current FY of 2007 was used from 2006 money.

Lt. Nelson stated that essentially they are asking that, at the end of this FY year La Paz County had \$17,770 and change left over that was unallocated. It is embarrassing to bring that up when we're talking about \$32 million on the last Agenda Item. However, \$17,000 is important to their program. One of the things they've implemented this year was a method of hiring seasonal help to allow their forest certified officers and himself to spread themselves out more over the county and the county waterways. La Paz County is the smallest county population wise and tax base wise that participates in the LEBSF program. However, they have the second amount of boat use and person use days of any other county in the state – second only to Mohave County.

Lt. Nelson stated they are requesting just to be able to allocate that money to this year of reporting as being used and as of this point in time, upcoming quarterly reports it would have already been expended and satisfied. Mr. Ziemann stated earlier regarding not leaving funds lingering in the account for those in the Capitol and the Governor's mansion to come down and use as they see fit. This would be returning \$17,770 to ASP to sit in that account and glow in the night as they are looking for funds to help balance the budget.

Lt. Nelson added that, in the alternative, if it did stay in it would be included into next year's allotment and divided up based on the percentages which would mean that the one county that gets the majority of the funds of all LEBSF would also get the lion's share of these funds.

Lt. Nelson stated that they would like to request that this is carried forward, although in the Board's packet and as Ms. Pulsifer has brought up in the past, yes they did sign an agreement; yes, there was something that said these funds would have to be returned if unused. However, all of their grant recipients for any grant program have conditions that they put into their agreements and this Board routinely allows extensions of dates for completion when it benefits the public interest. He believes that, based on the record of La Paz County, and boating safety and boating enforcement, accident rates

and everything else, this carry-over is within the public interest and urged the Board to look favorably on their request.

Chairman Scalzo asked if staff wanted to explain why they recommend denial. He knows it says that it deals with policy and procedural issues. He believes the lieutenant indicated he was aware of them.

Mr. Ziemann responded that, although the Board does routinely extend some things with other grant funds, we don't routinely do these with LEBSF funds. They are good for a year. The \$17,000 would just go back into the fund and be distributed out the following year. It could be a bad precedent to set for this particular grant program.

Chairman Scalzo asked if the Board wished to take action on this Agenda Item. There is a recommendation from the staff to deny this request.

Mr. Ziemann noted that AORCC concurred with staff's recommendation.

Board Action

Mr. Cordasco: I move the Board not to approve allowing La Paz County's Sheriff's Office to retain the unused FY 2007 balance to apply to the FY 2008 LEBSF allocation.

Mr. Woodling seconded the motion. The motion carried unanimously.

- g. Consider the review and final approval for State Lake Improvement Fund #780704, Bullhead City Acquisition of Section 12.** Staff recommends the approval of the grant based upon the updated appraisal dated February 29, 2008, and the appraisal review report dated July 7, 2008.

Chairman Scalzo noted that the Mayor of Bullhead City is present and has waited through this entire meeting to support this issue.

Mr. Ziemann reported that in October the Parks Board voted to approve this application in an amount not to exceed \$2,120,000 pending the review and approval of an updated appraisal for the acquisition of this parcel. That review has now been completed. Staff are satisfied with the results and would encourage the Board to approve this SLIF application.

Chairman Scalzo asked if there were any questions on the part of the Board to staff on this very important matter.

Hearing no questions from the Board, Chairman Scalzo invited the Mayor to address the Board.

Mayor Hakim, Bullhead City, addressed the Board. He stated that this would be a wonderful anniversary gift. They were before the Board on September 20, 2007. This would be wonderful gift to take back to their residents, citizens, City staff, and Council. They have waited a long time for this and are excited to move forward on it. He thanked the Board and hoped the Board would be able to approve this.

Board Action

Mr. Landry: I move to approve the FY 2007 SLIF application to Bullhead City for acquisition of Section 12 in the amount of \$2,120,000 based on the updated appraisal dated February 29, 2008 and appraisal review report dated July 7, 2008 and further

move that the Board authorize the Executive Director or designee to enter into any agreements to affect this motion.

Mr. Woodling seconded the motion. The motion carried unanimously.

- 2. Proposed FY 2009 State Parks Fees** – Staff recommends that the Arizona State Parks Board allow staff to proceed with public meetings to obtain public comment pertaining to said fee changes.

Mr. Ream reported that throughout the year the ASP Fee Team meets. They meet all the time on the fees because the agency gets a lot of requests and feedback from our visitors on fees and the team reviews all of them. This is the most recent review of these fees. The team has spent a great deal of time and staff developing a fee philosophy. He did not realize until this morning that many of the Board members are new since the fee philosophy was developed. He will get copies of that fee philosophy to them. It's a matrix staff developed to filter the fees through. Staff also use information from other park systems.

Mr. Ream stated that he is not asking the Board to approve these fees. Staff take an extra step at ASP and hold public hearings on our fees. Staff holds a public hearing in each of the regions and in the Phoenix office to receive public comment. Staff also put the same questions out on the Internet on our Website to receive comment. Staff also do public information blasts to all of the newspapers and put the fees on them.

Mr. Landry asked staff to, relatively speaking, benchmark our fees compared with the rest of the country. Are we in the top 5% of state parks; are we in the top 10%? Where are we percentage wise as far as how high our fees are.

Mr. Ream responded that he does not have the percentage estimate; however, we have some of the highest fees in the United States.

Mr. Landry asked if there has ever been an elasticity study that means if the fees get too high it cuts down our use and actually becomes a zero sum game and we actually get less revenue.

Mr. Ream responded that staff have not done a study on that *per se*; staff do regularly watch our fees. Staff actually removed our fees from the Rulemaking process to allow the Board to react quickly to market trends and visitation trends. Through our system the Executive Director can actually offer a promotional discount should the times require it. This is up to the Board.

Mr. Landry asked if the Board has to go out this year for a fee increase.

Mr. Ream responded negatively.

Mr. Landry asked if staff have ever seen economic conditions as bad as they are this year. Given the dramatic rise in unemployment rate and the other economic factors with the credit crisis and the housing market, has staff ever seen such a situation?

Mr. Ream responded negatively. However, he did have a great discussion with his 87-year-old mother who told him that he didn't live through the Depression.

Mr. Landry questioned whether this is timely.

Chairman Scalzo noted that what the Board is doing today is only to allow staff to go out and perform the public surveys. The Board is not approving any fees or charges.

Mr. Ream agreed. In fact he really wants the Board's thoughts on this. They can be E-mailed directly to him and they will be included. This may not be the fee request that staff brings the Board. Staff will take all of the public comment into consideration. This document was sent out to all the staff and one staff member said he wants to raise fees at Tonto Natural Bridge from \$3 to \$4. Even with staff, comments are still being received. He wants to ask the Board's permission to go out and hold fee hearings based on these changes.

Mr. Colton noted that particularly with efforts the agency is making to increase revenue and that fees don't generate tremendous amounts of revenue in terms of supporting the budget. If we don't do it, we'll probably be asked at some point what the impact of the fee increases is likely to be in terms of revenue to the agency.

Mr. Ream responded that it is probably neutral because some of the fees were decreased and some were increased. Some were reinstated. The 14 and over fees were eliminated at the historic parks to allow all children of all ages into historic parks for free. Staff are reinstating that amount. About \$12,000-\$15,000 per year is the most it would bring in and is one of the reasons it was taken out. This is a group of people that are traditionally used to paying for services. We still allow the 0-6 to come to the parks for free. Most people are used to paying those fees so it is an opportunity to charge them and increase our revenues at our historic parks, which are probably our lowest revenue-producing parks and are subsidized by our other parks and by the legislature's kind gift to the General Fund.

Board Action

Mr. Colton: I move that the Arizona State Parks Board allow staff to proceed with public meetings to obtain public comment pertaining to said fee changes.

Ms. Westerhausen seconded the motion. The motion carried with one Nay vote.

3. Set Meeting Date for Arizona State Parks Board Strategic Planning Update and Discussion

Chairman Scalzo stated this is an item he wanted to discuss. Several Board members have asked him to bring this forward. He suggested that the Board do this as a special meeting in October. He spoke with Executive Director Travous about doing this. He believes that this is important as the Board is in the recruiting process for a new Executive Director that clearly put together and reviewed our Strategic Plan and that it be made available to any organization doing recruitment. He would like to hold this special meeting either on October 21, 22, or 23 in an area near Phoenix but perhaps a bit south. A couple of suggestions have been made. The Executive Director is checking out those suggestions and will come up with an appropriate location to meet.

Chairman Scalzo stated he is suggesting a meeting from 10:00 a.m. to 2:00 p.m. at a maximum with the possibility of food at that meeting. At this time, he needs a date. October 21 is a Tuesday; 22nd is a Wednesday; and 23rd is a Thursday. He asked if any of those dates look good.

After discussion, Chairman Scalzo stated that the Special Board Strategic Planning Update Meeting will be held on October 22nd at 10:00 a.m. and will adjourn no later than 2:00 p.m. at a place to be determined with catering. There is a historic hotel there that is being looked at – the Francisco Grande. The Executive Director will work it out for the Board. It will be a public meeting.

4. Establish Annual Presentations and Dialog with the Board's Advisory Committees

Chairman Scalzo stated that this is a discussion regarding establishing annual presentations and dialog with the Board's Advisory Committees. He requested the input of the Board members on that and potentially set a date for that.

Mr. Colton noted that came up in conversations surrounding the Board's last meeting. He believes it would be wonderful to connect with the Advisory Committees in order for the Board to get a sense of what they're doing. It would inform the Board in a general way so everyone understands it's not responsive to a particular issue at a particular time but to establish that dialog. He is open as to whether they all happen on the same day or they happen at different meetings. He thinks it's important and seems like a good idea, particularly for those Board members who are fairly new. It's an alphabet soup in a Board member's first year.

Chairman Scalzo noted that this issue came up regarding some concerns from some presenters today as well as at other meetings about the significance of these Advisory Groups to assist. He recommended that the Board do this and invite them all to one meeting.

Mr. Ziemann stated, for clarification, that by his accounting the Board probably has six groups they will want to hear from. Typically the Board appoints members to these committees in November. It might not be bad at that point in time to have a discussion with them and then consider the membership and then make decisions on appointments. It will be a long meeting.

Chairman Scalzo noted that that meeting would be November 21. It's prior to Thanksgiving by almost one week.

Mr. Colton noted that if the Board does it at one time in November and allocates a certain amount of time it may be possible. However, Mr. Ziemann is correct in that it will be a longer meeting. It could be done.

Mr. Ream noted that he and Mr. Colton discussed this. It seems like every time the Board hears from their Advisory Committees it is because staff has done something they didn't like and they want to go straight to the Board. He believes that if the Board gives the Advisory Groups attention for the work they are doing besides just approving their actions and know what their strategy is and where they're going he believes it will be much easier when we come to these points where, "Jay Ream said this," and he didn't do it. He believes that if we had that kind of rapport with them we might avoid some of those things. They are the Board's advisory committees. Giving them opportunity to speak with the Board directly once a year is probably a minimal consideration for their volunteer work.

Chairman Scalzo stated that his thought was that the Chairperson of each of the advisory groups would be asked to present and talk about the particular functions they perform and introduce any of their members who were present and there could be open discussion about issues before them and perhaps they could identify the top one or two issues they are dealing with over the next year rather than a free-for-all. He sees this as a way to help the Board have some direction and philosophy as it was coming from them.

Mr. Ziemann suggested that the two of them could put together a letter addressed to the Chairs of the Advisory Committees so that they have some direction from the Board as to what is expected of them as they come forward in November.

Chairman Scalzo stated that this will be done at the November Board meeting.

Mr. Cordasco stated that one of the most wonderful responsibilities that this Board has is to oversee these various grant programs. He was thinking back over a number of years and thought that last year was probably the only year he remembers just a presentation and vote. All the years before that there always seemed to be discussion about something. Again, looking back over those years, each year it was something different – including this year. There was some different aspect of how to interpret the Board's responsibilities regarding the grant programs.

Mr. Cordasco stated that, first off, he believes the Board should all be very thankful for the work that staff does because they have diversity of grant programs and equally diverse groups of people that they are trying to serve. They also have to be responsible to the Parks Board and the Advisory Boards and their efforts. Without taking anything away from Mr. Ziemann today, he believes the Board should be appreciative of Ms. Pulsifer and the work she and her staff does. With that being said, and he's sorry that Ms. Pulsifer and her staff have gone because it would have been nice to say, "Thank You," directly to her, there was a "trick" (he doesn't know what else to call it) a year-and-a-half ago or two years ago that made last year work the way it did. That was that there was somewhat of a preliminary discussion about the grant programs in advance of the Board having to make the decisions on the grants in September. The Board is a board that has been broken perhaps twice during his 5-6 years. There have been some gaps that were created in continuity outside of Mr. Winkleman that would recall those issues that the Board came up against. He suggested that for next year, in July or August there be a presentation to remind everyone what constitutes all the different grant programs and to get the questions that are going to come up regarding those programs so when it come time to approve them, the forum that the Board has today is the largest public forum the Board has throughout the year. It would be one that the Board would certainly want to be on the same page and show that we have a handle on these grants. There are some things about these grants that are at times somewhat subjective in their fields. Flexibility sometimes seems to be appropriate. He believes that if the Board has an opportunity to be reminded about them at the prior meeting it would be something to remember.

E. EXECUTIVE STAFF UPDATES

1. Fiscal Years 2009, 2010 and 2011 Budget Updates

Mr. Siegwarth reported that there is good news/bad news for FY 2009. Our interest earnings are down roughly by 27%, but the Board should not get upset. Two points for two months only makes a line; it doesn't make a trend. Staff had anticipated a downturn in our interest earnings. That doesn't bother him as much as far as the budget the Board passed in July.

Mr. Siegwarth stated that a bit of a scary note is that OHV and SLIF revenues are down about 8%. He is concerned that that might be a trend based on decreased gas usage. It doesn't appear to be catastrophic. However, it may really affect the Board's grant programs because they are a lion's share of those revenues. As far as Operations, they'll be fine.

Mr. Siegwarth reported that on a bright note regarding the Enhancement Fund, attendance was not up but the revenues are up 7% for July and August. If that trend keeps up this would be a banner year. Staff are worried about the gas prices reducing visitation. Instead of people going all the way to California perhaps they are stopping short and visiting our state parks and visiting more locally. That's all good news. He spoke with the legislature a couple of times, as well as the Governor's Office and they are not really expecting a great year in 2009. There is still hope that after the election the uncertainty would go away and the economy may rebound. However, most people are pushing that out to 2010.

Mr. Siegwarth noted that he believes there is still concern and there may be a Special Session and some mid-year cuts. No one really wants to put a number on it, but the numbers are ranging from \$200 million a month-and-a-half ago to \$500,000 million.

Mr. Siegwarth added that the Board is asking for \$6 million in General Fund money in 2009/2010. They have heard our issues; they understand our issues; we've been talking about these issues since 2003. He believes that there is hope, but it may not be General Fund money that the agency receives. That's why the Enhancement Fund is so critical. That would probably be their second choice.

Mr. Ziemann stated that, in lieu of Agenda Item G and being that our Executive Director is not present, at this moment he wanted to alert the Board that with much regret this will be Mr. Siegwarth's last Executive Staff Update. He will be leaving us next Friday. He has taken the position as Director of the foundation that oversees Boyce Thompson at the University of Arizona. It is with hearty congratulations to Mr. Siegwarth and with deep sadness that he will no longer be with the agency.

Mr. Siegwarth thanked Mr. Ziemann for his comments. He is somewhat speechless. This is his last Board meeting. We've done a lot of great things. One of the reasons he feels comfortable leaving is that he truly believes that his staff is very good and that they can carry on without him. He is really looking for new challenges and new problems to solve. He believes that the staff he leaves behind is fully up to the task of taking this agency on through. He feels he will be more useful somewhere else mainly because he has such a good staff. He stated that he will miss everyone and hopes to see everyone. He doesn't know exactly when Boyce Thompson would like to host the Board out there. He would like to give the Board the Director's Tour, even though he has to figure out what that means.

2. Contact Point, Jerome Rehabilitation before the Joint Committee on Capital Review

Mr. Ziemann reported that these two items are contracts for Request for Proposal for Contact Point and the rehabilitation of Jerome State Historic Park that were scheduled to be before the Joint Committee on Capital Review (JCCR) in August. Unfortunately that was scheduled the same day as the Ethics Hearing for Senate Harper so the quorum for JCCR was lost.

Mr. Ziemann added that he met with legislative staff yesterday and was given the OK to proceed with our contract at Contact Point. That is good news. We don't have to wait for JCCR to meet again. He asked for a letter indicating that decision because we get into trouble assuming things in front of JCCR. That letter should arrive next week. We have the authority to proceed with Contact Point.

Mr. Ziemann noted that JCCR is scheduled to meet again on October 2. The Jerome rehabilitation will be on that Agenda. They again have quorum issues with some of the members that lost in the Primary Election. They probably don't feel a strong need to attend to legislative business any more so they are concerned about quorum issues. Hopefully Jerome is on that October 2nd Agenda.

3. Concession Contracts review

Mr. Ziemann reported that the concession contracts review follows on page 118 to the end of the Board Packet. In a conversation with the Governor, Mr. Landry, the Governor raised some questions about our contracts, our concessions – especially on Lake Havasu. Many Board members have seen these things, but he asked Mr. Siegwarth's staff to compile this and give the Board this information for their edification and information. Some of the contracts on Lake Havasu were done at a time when revenue for a park system was not a great need and the Board was and are locked into some contracts that last for a long time and are, quite frankly, horrible contracts for the agency. Luckily those things are coming to an end in the near future and staff will look to better the Board with them.

Mr. Ream added that one of the things staff have asked in the RFP, because of these contracts coming up, is for our consultants to look at what we're doing out there and what potentials we have given this new modern day. There is one contract coming up in 2015 and another in 2018. His goal is to stay around long enough to get a better contract over there. Staff have met with Ms. Hernbrode a couple of times to look through the contract to see if there is any way we can get out of these contracts. These contracts were made before there was an Enhancement Fund and the money went straight into the General Fund and no one worried about how much was going into the General Fund. As part of the RFP, staff are looking at what can be done once those contracts expire.

Chairman Scalzo noted that the consultant for Contact Point might be able to make a recommendation that all of the Lake Havasu contracts be combined into one large RFP.

Mr. Ream responded that that would be an ideal situation because there would be one manager to deal with instead of many.

4. Update on Spur Cross/Vertes Litigation

Ms. Hernbrode stated she was happy to report that nothing interesting, except legal matters, has occurred on the Spur Cross/Vertes litigation. She hopes to have something interesting for the Board at the next meeting.

5. Letter of Concern Regarding Waste Transfer Station Near Oracle State Park

Mr. Ziemann reported that Mr. Travous signed a letter that is included in the Board Packet. It simply notes our concern with that proposal.

Mr. Ream noted that the Planning and Zoning (P&Z) Board met on Thursday and continued it for further study of an alternate location.

Mr. Colton asked if it was based on this or other things as well.

Mr. Ream responded that it was based on a good deal on this letter read in Open Session from Mr. Travous. There is quite a bit of community opposition to the location of this transfer station and he believes that Waste Management said they would just close that transfer station and no one likes a threat like that. He believes the P&Z Board voted 3-3 to continue it and that was the best Waste Management could get out of the other members of the P&Z Board who were all ready to oppose it. It will not move to the Board of Supervisors; it will be continued to their next meeting as they continue to look for an alternate location.

F. DISCUSSION ITEMS

1. Letter to the Governor and Potential Agency Study on Financial Sustainability

Chairman Scalzo reported that Board member Landry was kind enough to deliver that letter to the Governor. He has also had some discussions with the Governor, which were very fruitful because we received a nice letter of response. The letter of response indicates her commitment to setting up this committee and her recommendation that the Board gather any and all pertinent research data and begin to anticipate questions regarding the economic and social benefits of parks and the potential future scenarios for a healthy state parks system. That is a fairly strong request. The Board needs to move on that request.

Chairman Scalzo added that some of the staff, Bill Meeks from the ASP Foundation, and some others met with the Morrison Institute this week and discussed how they could take the vast amount of material that ASP has already gathered and help put together an informational packet dealing with a variety of the issues the Governor has requested the Board look at – the social benefits of parks; the economic impact; future scenarios on how to get a healthy system. This information, if it can be compiled and if we can come up with a successful amount of money that we can afford to do (they were told that the Board is a very frugal group and don't have much money) this project and have them get back to us. He thinks that, based on what the Governor has asked the Board to do and Mr. Ziemann's working with her staff on this, there is a great deal of concern that the Board prepare some good information for that committee. Mr. Landry was a staff member to that committee back 25 years ago and he knows that it's important to have information – facts, figures, statistical knowledge – and recommendations or information for that group that they can make some solid recommendations. He hopes

that very shortly the staff can come up with more information and perhaps get back to the Board with information about the Morrison Institute moving forward with the Board to compile this important data.

Mr. Colton asked in terms of time frame what are we looking at to do all these things.

Chairman Scalzo responded that staff have talked to the Morrison Institute about having a draft to the Board by the end of this calendar year and a completed study by late winter (March 2009).

Mr. Ziemann added that he believes that the Governor is talking about the committee finishing their work by June 2009.

Mr. Landry noted that the Board has a lot of good information right now. When the Board went through its pre-budget session there was a lot of very good information staff prepared that would be helpful.

Mr. Ziemann added the he believes that the Morrison Institute was very excited about working with us. They were interested in looking at patterns of growth that Arizona is likely to experience in the next 20 years and trying to envision where the state parks system should be, what it ought to look like, and the financial considerations that we will need to get there. That was their "two bits".

Mr. Landry passed on the Governor's comment that it's an open door if the Board has any suggestions as to who should be on the committee. He knows that Mr. Ziemann is working on that, too. It might be wise to just funnel them through him. However, if the Board wishes to do it, the Governor was very open about the knowledge of this Board on who might be good members. He had the opportunity to talk to her three times about this and she responded to the Board's letter immediately.

Chairman Scalzo stated that, hearing that, the Board should give any names or recommendations to Mr. Ziemann to forward to the Governor's Office as far as recommendations. He does hope there will be some key representatives from around the state, from this Board, from our Foundation friends, and from related groups who are concerned about ASP's the future.

Ms. Westerhausen asked what the process is for throwing those names in a hat.

Mr. Landry responded that the normal process is that there is an appointments chairperson – Dora Vasquez – who processes appointments. She is involved. The Natural Resources Staff Advisor – Lori Faeth – will be involved. The Governor makes the final decision. Other staffers, because we've stated the economic impact of ASP and how important it is could be involved. Each new task force has its own unique characteristics. He suggested that there be at least a couple of members of this Board on that task force, but that's really up to the Governor.

2. Potential Donation by Morningstar Ranch, Santa Cruz County

Chairman Scalzo stated that his discussions with Mr. Travous indicate we are not quite there yet.

Mr. Ream reported that the Governor's Office was approached by the owners of the Morningstar Ranch as for the potential of gifting some land to ASP. This land is located on the east side of the San Cayatano Mountains. Just for reference, staff are looking at

purchasing the west side of the San Cayatano Mountains as part of the Rio Rico/Santa Cruz acquisition. This would be a nice inclusion into what the Board is doing there. The meeting was scheduled for September 3rd and staff was ready to attend. However that meeting was cancelled and/or postponed and has yet to be rescheduled. Staff are waiting. Staff do not think they have given it to anyone else. There have been discussions with Mr. Colton regarding receiving free land. Sometimes it should come with something else as well. Staff will keep the Board informed as we move forward on that.

3. Update on Acquisition of Rockin' River Ranch

Mr. Ream reported that the Board approved the purchase dollar amount of \$7.3 million for the acquisition of the Rockin' River Ranch, originally scheduled to close in September. That closing date has been moved to November. A couple of issues came up in Phase I relating to underground storage tanks. Staff wants to make sure they were mitigated properly. There was a lessee on the property who was in default and staff did not want to take over any property that has a lessee in default on it. There were some technicalities to clear up regarding how that property is managed because we have the opportunity here to not close until those things are taken care of. He believes the closing date will be in the first couple of weeks in November.

Ms. Westerhausen noted that she believes the last time this issue came up she asked if the Board's designated subcommittee – NAPAC – had a chance to get involved in this project yet. She asked if that has happened.

Mr. Ream responded that they have not involved themselves in this particular project yet. In speaking with our Resources Management group, NAPAC feels this is a "done deal" and they are a bit upset at how the timing went on this. They will do the evaluation of the property, the biological communities, and the different things they do post purchase at this point.

4. Potential Acquisition of Sonoita Creek Ranch

Chairman Scalzo noted that the same could probably be said for this project.

Mr. Ream reported that this issue caused some of the animosity with NAPAC. He stated that NAPAC wants the Board to know that they have been studying, evaluating, and looking at a property on the Sonoita Creek Ranch which is just outside of Patagonia, between the United States border with Mexico and Highway 82. He is told that this small piece of property is one of the most beautiful places in all of Arizona. That's a lot of competition. He has not visited the property. NAPAC want to do a presentation for the Board on this property in November because this is a potential acquisition not for the Board entirely but they are hoping to put a coalition together of different landowners (people from Santa Cruz, The Nature Conservancy, Arizona Game and Fish). Many people are interested in this property to make sure it is preserved for conservation uses. What the Board's role in that will be is to be discussed in a meeting he is having with those potential partners in Tucson next week.

Mr. Ream stated that he will be better prepared to report to this Board in November what this property is, what our commitment might be as far as management or possible

participation in the acquisition and how it would be managed. There are many agencies willing to put their money toward preserving this section of land.

5. Director's Hiring Subcommittee Report

Chairman Scalzo reported that he had an opportunity to meet with the Department of Administration (DOA) to follow up on their presentation to the Board about the selection process. He had a variety of questions to ask them – most of which dealt with how interviews could be discretely done prior to getting to a short list of candidates so that the interviewees are not put at risk with their current positions wherever they might be. They were very helpful and indicated the Board could do much of this in Executive Session. Ms. Craig, Assistant Attorney General's Office, was with him during this discussion and helped put this meeting together so that he was not stepping out of his role in trying to involve himself beyond what the Board can do although the Board does the hiring.

Chairman Scalzo added that they also found out some interesting things that he didn't know, one of which is that they are willing to pay for any travel and housing for out-of-state candidates. They also could accommodate wherever the Board wanted to hold these interviews. If the Board does some all-day interview processes with the subcommittee and/or the Board they can provide something very unique in state government – maybe food. There were some interesting details, more on process. He thought they were very open and helpful.

Chairman Scalzo stated that he would like to have the subcommittee meet in the very immediate future to further discuss the selection process and nail down something to bring back to the Board so the Board can then initiate what needs to be done – if the Board will use DOA or if the Board will use an outside agency to help do this. He believes the subcommittee needs to come back with something in the October meeting to at least present.

Chairman Scalzo noted he has a three-member committee that includes himself, Mr. Landry and Mr. Cordasco. The three of them need to set up a time with Ms. Busser assisting them in making sure any meetings are open. The Board needs to be cautious because there are some issues that may affect any internal candidates. Some sessions will be Executive Sessions without any of the Board except perhaps Mr. Travous. He is saying that to protect everyone and to also make sure this is done well.

Ms. Hernbrode stated that Ms. Hackle or Ms. Craig will provide legal advice during this process. It will not be her.

Chairman Scalzo thanked Ms. Hernbrode for that information.

Chairman Scalzo stated that a meeting will be set-up. He will share more information with the Board. He thinks that the Board should take advantage of anything DOA can provide that may be free.

G. Executive Director's Summary of Current Events

Chairman Scalzo stated that there is no Executive Director's Summary of Current Events because he is not present.

- H. EXECUTIVE SESSION** – Upon a public majority vote, the Board may hold an Executive Session which is not open to the public for the following purposes:
- 1. To discuss or consult with its legal counsel for legal advice on matters listed on this agenda pursuant to A.R.S. §38-431.03.A.3.**
 - a. Recruitment of an Executive Director**
 - b. Suit Filed Against the State of Arizona, Arizona State Parks by Keith Vertes and Scott Mead regarding the Spur Cross Ranch Conservation Area**

Ms. Hernbrode stated that she does not have any Executive Session items for the Vertes litigation.

Chairman Scalzo stated that he does not believe the Board has anything to discuss about the recruitment for the Executive Director at this time unless someone wants to go into Executive Session.

Chairman stated that, seeing no one requesting Executive Session, he would move on to the next Agenda Item.

I. CALL TO THE PUBLIC

There was no public remaining who wished to address the Board.

Ms. Janet Hawks, Chief of Operations, reported that the Fourth Annual Apple Fest will be held this weekend at Slide Rock State Park and invited the Board to come. There are vendor booths. The celebration is at the apple orchard at the park. While people can slide in the water, it's awfully cold this time of year. The ASP Foundation will be there in force as well. There will be re-enactors there; people can pick apples, buy apples, buy apple products; there will be bands and music, food, vendors, crafts.

J. TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS

- 1. The Board will discuss location for the next meeting to be held on November 21, 2008.**

Chairman Scalzo stated that the next meeting will be a Special Meeting on October 22, 2008 in Casa Grande. Staff will relay that to the Executive Director.

Mr. Cordasco noted that the Chairman has been very articulate that it is about the Strategic Planning for ASP. With that in mind, it would be an opportunity to call upon the last 4-5 years worth of things that worked regarding Strategic Planning, see what can be bridged, what may not be appropriate. The historical presentation of the agency that Mr. Travous presented to the Board 2-3 years ago would be an outstanding way to initiate that process. It calls to mind where everything has been and come from and where it's at today. There was also a Strategic Planning process 5 years ago when the Board first started talking about revising the Mission Statement. PAMS was coming up at that time. There was a lot of framework put in place that may or may not be appropriate now to discuss again. There are things that have been put in place that could at least be bridged and not just recreated or thrown away.

Chairman Scalzo requested that Mr. Cordasco forward that information to Mr. Travous. He also told Mr. Travous that he would like to see at least a one-year plan, taking what the Board already has in place and looking at some key issues the Board needs to address. Some of them have been discussed today, be it motorized vehicles, be it funding issues – things that we need to address almost immediately and put out there. That information can be put out for recruiting as well so any new person or existing staff will know that this is what this Board is looking at. It has to be a short- as well as long-term – strategic look. The Board is at a critical point.

Chairman Scalzo asked if the Board wished to discuss any other issues at that meeting in October.

Mr. Colton stated that he believes the reason for having this meeting is to focus on what the Board doesn't get to focus on other times. Unless it's an absolute necessity such as a legal matter that is coming up that the Board has to deal with, he would assume that the Board just deal with Strategic Planning. Strategic Planning, to him, is really a short- to mid-term approach to what the Board does. It builds upon past efforts as the Board moves forward. It can look like it's incremental, but it's not. He is looking forward to having that historical perspective that the Board can then build upon to plan out for the next 1-5 years and update it as we go.

Mr. Landry stated that he assumes that in talking about Strategic Planning the Board can also discuss the strategic policy for the new legislation SB 1167 and talk about what the policy might be.

Chairman Scalzo stated that he sees it as dealing with strategic issues that will have a major impact on the state parks system and the state.

Mr. Cordasco cautioned, from his perspective, that if in October the Board wants to talk global about strategic planning and bridging some of these efforts from the past, catching Board members up to speed on where we are all at, one hates to get too micro about something. It would be important in a strategic plan process to define that there are areas that need to be discussed more early on. He would like to talk about these policies. If the Board gets to talking about policies, then we are not talking about a global perspective particularly with the need to possibly present a one-two page outline of state parks to our new potential Director. He believes that the real objective right now will be defining as a group what the big picture is for ASP so that the Board can be very clear to these people who will apply for this position. They need to know what is expected of them and where the organization is headed.

Mr. Cordasco suggested that the discussion regarding policy is equally important, but he isn't sure it can be blended in on the same day. He doesn't want to postpone anything, but he's not sure the Board can do those two at the same time.

Chairman Scalzo noted that at the November meeting and bringing in Advisory Groups will deal with some serious policy directions if the Board is going to take their advice on natural resources acquisitions, on trails creations, on funding, etc. That really lends itself very well to policy and the Board may want to invite related government agencies to a meeting such as that.

Mr. Landry stated he would certainly defer to the Chairman as to what is on the Agenda. Policy is not what you say; it's what you do. As our Governor says, the devil's in the details. A city can say they're going to pick up trash twice a week. But if they pick it up once every two weeks, that's their policy because that's what they do. It doesn't matter what they say. He hopes the Board gets to enough level of detail that we can actually know what we're going to do – some action planning.

Mr. Ream asked, just to be clear, if the Chairman wants to facilitate this meeting in October; does the Board want a consultant to facilitate it; or will Mr. Travous facilitate this meeting.

Chairman Scalzo stated that he spoke with Mr. Travous about him either facilitating it and/or bringing someone in. He will make a recommendation. Yesterday Mr. Travous felt that he could do it – presenting some of this historic perspective and where we're going in the future.

Chairman Scalzo stated that the Board is not paying for a consultant to facilitate this meeting.

Mr. Colton asked if the Board should assume that there's already been a strength/weakness SWOT analysis (Strength Weakness Opportunity Threat) that has been done that the Board needs to review or does the Board need to start from that point.

Chairman Scalzo responded that the Board did that and that information is available. He thinks that the Board wants to look at it and update it to see what's relevant so the Board can give some direction to a new Director. While that work has been done, the problem is that we have some members of this Board who did not get any of that information. There's probably just three Board members who had the fortune of getting much of this information.

2. Board members may wish to discuss issues of concern and request staff to place specific items on future Board meeting agendas.

Chairman Scalzo noted that he is hearing none.

Chairman Scalzo noted he has a letter from Lake Meade National Recreational Area inviting the Board to their dedication of the Willow Beach Fishing Pier on September 30. The Board funded that project through SLIF back when we had funding available. They will open that pier on September 30th and have invited all of the Board to this event. It is an accessible area for fishing. It provides a floating gangway and fishing area. It sounds like a tremendous facility and is coming to fruition. It is 14 miles south of Hoover Dam on US 93.

K. ADJOURNMENT

Mr. Colton made a motion to adjourn the meeting. Mr. Woodling seconded the motion. The Chairman adjourned the meeting at 1:25 p.m.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as

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a sign language interpreter, by contacting the acting ADA Coordinator, Karen Farias, (602)364-0632; or TTY(602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

APPROVED:

William Scalzo, Chairman

Jay Ziemann, Assistant Director